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SUBJECT: PRESIDENT WADE CHAIRS NEPAD ROUND TABLE ON AFRICAN
INFRASTRUCTURE PRIORITIES

¶1. SUMMARY: A donor round table was held in Saly-Portugal, Senegal on January 23-24, 2008 to discuss the priorities of the Infrastructure Component of NEPAD. President Abdoulaye Wade of Senegal is the chairman on this component along with those of energy, environment, and information technology. The purpose of the round table was to prioritize regional, interregional, and continent-wide projects, create an institutional mechanism to monitor progress, and to solicit donor support in financing priority projects. No solid proposals were put forward for new funding so donor pledges were mostly limited to current infrastructure commitments. However, the Infrastructure Component presents an ambitious framework for future trans-African and regional infrastructure projects that could help increase commerce throughout the continent. END SUMMARY.

GRAND PLANS AND SOME DISSENT

¶2. The short-term action plan of NEPAD's Infrastructure Component contains 124 projects including both capital investments and capacity building. Twelve of these projects have already been financed at USD 2 billion. 17 additional projects are being considered by the African Development Bank for an additional USD 2.5 billion. Two roads and railways, along the same trajectory, were proposed during the round table as first priority: Dakar to Djibouti (with N'Djamena as the "platform" for cross-continental transportation links), and Dakar to Libreville, for a total price tag of about USD 68 billion. President Wade also solicited support for other projects to benefit Senegal, including bridges over the Gambia River and between Senegal and Mauritania at Rosso, and support for inter-modal transportation systems on the Senegal River.

¶3. The Ministers in charge of infrastructure for about 20 African countries were present and there was not unanimity in the prioritization process. Island countries including Cape Verde, Mauritius, the Seychelles, and Madagascar were unsatisfied, noting that none of the projects targeted their countries. They argued for information technology to be included as a component of infrastructure to help them have better connections to the world.

¶4. While the new four-lane, cross-continental highways took center stage, some countries proposed that emphasis be placed on finishing almost completed corridors such as the Morocco-Dakar-Lagos, while others were pushing for more coherence with existing roads and railroads to reduce costs. South Africa proposed adopting a public-private partnership approach as it has done in its own country.

CALL TO DONORS

¶5. Though not quite a pledging conference, President Wade pressed

donors to outline their commitment to this initiative. Senegal's official press reported USD 8 billion was pledged, but the source and timing of such a sum was not evident during the conference. The World Bank, African Development Bank, the Islamic Development Bank, and the European Union are the main financial backers of infrastructure projects in Africa and each was highlighted as a major supporter of this NEPAD effort. Since there was no basis on which to make pledges, donors presented their current infrastructure funding, or those in the pipeline, as their contribution towards the list of priorities.

COMMENT

16. President Wade, who has been very critical of NEPAD in recent months, made sure this NEPAD initiative implicated Senegal in many of its ambitious proposals. However, after the conference, President Wade faced some mild criticism from local commentators for focusing on "pan-African" issues instead of focusing on Senegal's own development needs. Still, thinking big and beginning the planning process for major projects is an important step, especially if there are, in fact, major donors lining up with financing. These projects, if ever realized, could significantly improve commerce throughout the African continent. However, African countries should look to ways to reduce costs for infrastructure by prioritizing those projects by actual demand and by looking towards innovative solutions such as South Africa's use of public-private partnerships.

SMITH